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SELECT COMMITTEE ON INTELLIGENCE

(PURSUANT TO S. RES. 400, 84TH CONGRESS)

WASHINGTON, D.C. 20510

STAT

July 26, 1977

IN REPLY PLEASE
REFER TO R#9131

Admiral Stansfield Turner
Director of Central Intelligence
Central Intelligence Agency
Washington, D. C. 20505

Dear Admiral Turner:

I am enclosing a copy of a classified Committee staff study entitled "U.S. Intelligence Analysis and the Oil Issue, 1973-74". The study was prepared for the Subcommittee on Intelligence Collection, Production and Quality, chaired by Senator Adlai Stevenson, and has been unanimously approved by the full Committee.

The study focuses on the Community's performance in three specific areas: the Saudi Arabian position in the spring and summer of 1973 on the use of oil as a political weapon against the United States; the stability of oil price increases; and the impact of the increases on the world economy. The study was based on: field reports from NSA, the State Department, and the CIA's Clandestine Service; finished intelligence publications from INR and CIA; interviews with Intelligence Community analysts, consumers, oil company executives, and financial analysts; and public periodicals, including newspapers and specialized petroleum publications.

The study examines the substance of the Community's analysis and draws conclusions about the intelligence production process. The issues it addresses include the relative performance of specialized public sources on the three questions indicated above; the nature of field reporting; the extent to which analysts utilize the available collected data; the modes of analysis employed by the Community; and the impact of organizational arrangements.

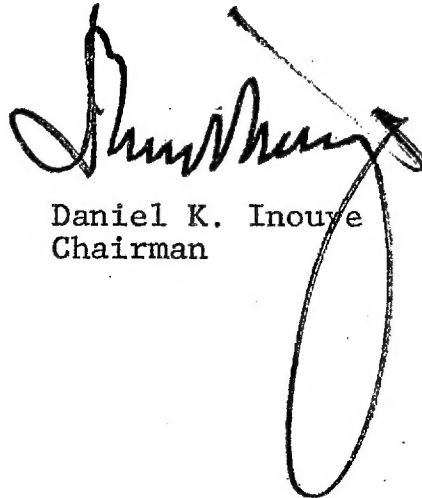
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July 26, 1977
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I would like to take this opportunity to express my thanks for the generous cooperation the members of the Community provided in the preparation of this study. I hope that you will find that this report contributes to your own thinking about the vital area of intelligence analysis.

I would welcome your comments.

With best wishes,

Aloha,

A handwritten signature in dark ink, appearing to read "Dan Inouye", with a large, loopy flourish extending from the bottom right.

Daniel K. Inouye
Chairman

Enclosure

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EXECUTIVE SECRETARIAT

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Please prepare DCI response.

Executive Secretary

27 July 1977
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